

# **Renewable Resource Grant and Loan Program**

## **Project Application**

Government Entities  
Application Instructions and Forms

**APPLICATION DEADLINE MAY 16, 2022**

**Department of Natural Resources and Conservation  
Resource Development Bureau**

P.O. Box 201601  
1539 Eleventh Avenue, Floor 2  
Helena, Montana 59620-1601

Telephone: (406) 444-6668  
[www.dnrc.mt.gov](http://www.dnrc.mt.gov)

Submit online: [www.grants.dnrc.mt.gov](http://www.grants.dnrc.mt.gov)





## Table of Contents

<b>General Information .....</b>	<b>1</b>
Non-Public Facility Project Applications.....	1
Public Facility Project Applications .....	1
Submittal Information.....	1
Application Deadline.....	2
Applicant Eligibility .....	2
Project Eligibility .....	2
Funding Limitations .....	2
Renewable Grant and Loan Application Ranking Criteria .....	3
Application Checklist .....	5
<b>Part 1: Application Summary .....</b>	<b>6</b>
Authorizing Statement .....	9
<b>Part 2: Proposal Abstract .....</b>	<b>10</b>
Renewable Resource Grant and Loan Program Purpose .....	10
<b>Part 3: Resource and Citizen Benefits.....</b>	<b>12</b>
Resource and Citizen Benefits Narrative .....	12
Tips for Improving the Resource and Citizen's Benefits Score.....	13
<b>Part 4: Technical Presentation .....</b>	<b>15</b>
Technical Narrative .....	15
<b>Part 5: Project Management .....</b>	<b>18</b>
Project Management Narrative .....	18
<b>Part 6: Financial Presentation .....</b>	<b>19</b>
Project Costs vs. Program Costs .....	19
Financial Narrative .....	20
Loan Information .....	22
Financial Documentation .....	22
Budget Forms.....	23
Applicant Affordability Data.....	31
<b>Part 7: Environmental Evaluation .....</b>	<b>32</b>

# Renewable Resource Grant and Loan Program

## Instructions for Grant and Loan Applications

### General Information

The Montana Legislature established the Renewable Resource Grant and Loan (RRGL) Program to enhance and develop Montana's renewable resources. The Resource Development Bureau of the Department of Natural Resources and Conservation (DNRC) administers the program. This program is funded through earnings from certain natural resource-based taxes. Use this application to apply for Renewable Resource Grants and Loans.

### Project Applications

#### Non-Public Facility

- The application in this booklet is for non-public facility projects (stream restoration, irrigation, studies, or other projects not for public facilities) sponsored by a government entity.
- Public Facility projects only applying for grant funds through the RRGL Program may use the application in this booklet. If the project match funds include any other federal or state grants must use the Uniform Application.

#### Public Facility

- Public Facility Projects only applying for RRGL Program funds may use this application.
- Public Facility Projects (drinking water, wastewater, and solid waste projects) with multiple state funding sources must submit a Uniform Application for Montana Public Facility Projects and the RRGL Application Supplement to the Uniform Application in place of this application.

### Submittal Information

DNRC requires two (2) forms of the application to meet the needs of multiple reviewers during the evaluation, scoring and ranking process. All grant and loan applicants (public and non-public facility) must submit all required materials **(1. Submitted Online)** and **(2. Submitted by Mail)** by **May 16, 2022**.

#### 1. Submitted Online:

Applications are available online through <http://grants.dnrc.mt.gov/submit> and are accepted online through the grant management system. Applications are available through the DNRC website <http://dnrc.mt.gov/divisions/cardd/resource-development>.

#### 2. Submit by Mail:

- I. One (1) original Authorizing Statement.
- II. One (1) unbound original application and all supporting documentation. Public Facility Projects will include a copy of the signed Preliminary Engineering Report (PER).
- III. \$250.00 application fee (online or check by mail).

**Mail to: MT DNRC RRGL Program, PO BOX 201601, Helena MT 59620**

## Application Deadline

Application forms must be submitted online at <http://www.grants.dnrc.mt.gov> and additional documents must be postmarked to the DNRC office **no later than 5:00 p.m. day May 16, 2022**. Please contact our office with questions (406) 444-6668.

## Applicant Eligibility

### Grants and Loans for Government Entities

Eligible applicants include any division of state government, tribal government, or other county, city, or local political subdivision. Government entities have included cities, towns, counties, conservation districts, water and sewer districts, school districts, irrigation districts, joint boards of control, state agencies, and universities as specified in 85-1-605, Montana Code Annotated (MCA).

## Project Eligibility

Project types eligible for funding are specified in 85-1-602, Montana Code Annotated (MCA).

- [1] *Either grants or loans may be provided to fund the following types of projects:*
- (a) feasibility, design, research, and resource assessment studies;*
  - (b) preparation of construction, rehabilitation, or production plans; and*
  - (c) construction, rehabilitation, production, education, or other implementation efforts.*

Projects must enhance the common well-being of Montanans through the conservation, management, development, or preservation of a targeted renewable resource. Renewable resource projects including water conservation; water for public use, agricultural use, or other beneficial uses; surface water or groundwater quality; forestry related resources; air quality; waste management; and other renewable resource-related projects are eligible to receive grant and loan funding.

## Funding Limitations

### Grants

The Montana Legislature appropriates funds directly to each project, based on amounts recommended by DNRC. DNRC limits grant funding recommendations to a maximum of **\$125,000** for a renewable resource project.

### Loans

DNRC does not have a standard limit on the recommended loan amount. The limit is based on the applicant's ability to repay the loan. Local governments enter into debt by issuing bonds. Drinking water and wastewater projects are encouraged to apply to the State's Revolving Fund (SRF) Loan Programs. These SRF Loan Programs are specifically designed to provide below-market interest rates for these types of systems. However, some renewable resource projects are not eligible for funding under the SRF Programs. For more information, see: <http://dnrc.mt.gov/divisions/cardd/financial-bureau>.

**Example: Rehabilitation of an irrigation diversion dam.** The Renewable Resource Loan Program provides an excellent source of loan funds. If the applicant demonstrates a high cost of water or other financial hardship, DNRC may recommend a below-market

rate loan. The identified cost and financial hardship will be compared to other projects that have been funded by the RRGL program as well as those partially funded by other agencies. The amount of the subsidy depends on the specific RRGL need demonstrated by the borrower.

## **Renewable Grant and Loan Application Ranking Criteria**

Projects funded under the Renewable Resource Grant and Loan (RRGL) Program must result in resource and citizen benefits, be financially feasible, have no significant environmental impacts, have an adequate project management plan, and be technically feasible.

After DNRC receives applications, projects are reviewed based on ranking criteria, compared with other applications, and ranked on how the project meets RRGL Program goals. A summary of the program's ranking criteria is below.

### **Eligibility Criteria**

An application is eligible if:

- The project results in benefits to at least one renewable resource and is technically and financially feasible;
- The application is complete; and
- The project has no long term adverse environmental impacts.

### **Renewable Resource Benefits (60 percent of total score)**

This scoring category is influenced by how likely the project will benefit renewable resources. Specifically, how the project will conserve, manage, develop, or preserve a renewable resource. Renewable Resource benefits will score higher in applications which **quantify predicted benefits**.

The renewable resource benefit score is based on the degree to which the project is predicted to:

- Have multiple benefits (conserve, manage, develop, protect);
- Benefit multiple renewable resources (surface water, groundwater, land, energy, etc.);
- Benefit regional or statewide renewable resources;
- Benefit an important resource (such as a blue-ribbon trout stream); and
- Achieve an objective in a natural resource management plan (such as the State Water Plan).

**Additional tips for improving your score for resource and citizen benefits are listed at the end of Part 3 of this application.**

### **Public or Citizen Benefits (15 percent of total score)**

This scoring category is influenced by how likely the project will benefit the public economically or by improving public health and safety.

The citizen benefit score is based on the degree to which the project is predicted to:

- Benefit the local economy (e.g. increase the number of jobs, increase the local recreational use, increase the economic viability of a community);
- Benefit a regional or statewide economy; and
- Improve public health and safety.

Public benefits will score higher in applications that **quantify anticipated benefits**.

**Technical and Financial Feasibility and Project Management (20 percent of total score)**

This scoring category evaluates the applicant's ability to complete the project as described in the application.

Project feasibility is evaluated based on the degree to which the proposed project meets the following criteria:

- The project solves or mitigates a renewable resource problem.
- Alternatives considered address the stated problem and are developed to the extent costs and benefits can be compared.
- Selection of the preferred alternative is justified.
- Selection of the preferred alternative considers renewable resource benefits.
- The preferred alternative is technically feasible.
- Costs are reasonable and within industry standards.
- The expected funding sources are supported with documentation.
- The applicant considers timing and cost of DNRC reporting, permitting, public input, procurement, and other contingencies.
- The project management plan demonstrates the applicant's ability to anticipate problems and successfully complete the project.

**Application Clarity and Project Value (5 percent of total score)**

Reviewers evaluate projects based solely on information provided in the application.

Applications with the following attributes will receive higher scores in this category:

- All requested information is provided as outlined in the application.
- Narratives are clearly written.
- Assertions are supported by documentation.
- The project has documented public or stakeholder support.
- The project is part of a natural resource management plan (e.g. the State Water Plan).

# **Renewable Resource Grant and Loan Program**

## **Application Checklist**

---

**This application is composed of the following parts. Each part is required by May 16, 2022 to submit a complete application.**

- 1. Part 1: Application Summary**
- 2. Part 2: Proposal Abstract**
- 3. Part 3: Resource and Citizen Benefits**
- 4. Part 4: Technical Presentation**
- 5. Part 5: Project Management**
- 6. Part 6: Financial Presentation**
- 7. Part 7: Environmental Evaluation**
- 8. Authorizing Statement submitted to DNRC with application materials and application fee.**
- 9. One (1) Unbound Application including supporting documentation submitted to DNRC by application deadline.**
- 10. Online application [www.dnrc.grants.mt.gov](http://www.dnrc.grants.mt.gov)**



# Part 1: Application Summary

1. **Applicant/Authorized Representative Name** \_\_\_\_\_  
(Person authorized to enter into a grant agreement with DNRC)
2. **Project Title** \_\_\_\_\_  
(Include the Public Entity Name and describe the specific project. Example: Blue Cloud Sewer line replacement project)
3. **Public Entity Name** \_\_\_\_\_  
(City, county, tribal government, district, other)
4. **Project Type** \_\_\_\_\_  
(Example: irrigation, municipal, groundwater study, other)
5. **Project Location: Include a project map, site photograph, and the project location coordinates**
  - **Latitude:** (example: 46.85560) \_\_\_\_\_
  - **Longitude:** (example: -112.0494) \_\_\_\_\_
6. **State Senate District #** \_\_\_\_\_
7. **State House District #** \_\_\_\_\_
7. **Population Served by Project** \_\_\_\_\_  
(if applicable)
9. **Households Served by Project** \_\_\_\_\_  
(if applicable)
10. **County** \_\_\_\_\_  
(Project location can be in more than one County)

## Proposed Funding Sources

Enter the source and amount of all expected funding for this project. Include funding source even if you have not yet applied for or have received a commitment of funds notice.

Proposed Project Budget		
Funding Source (grant/loan or cash reserves)	Amount	Status: Committed/Applied Date/Uncommitted*
RRGL Grant	\$	
	\$	
	\$	
	\$	
	\$	
<b>TOTAL</b>	<b>\$</b>	

\*Note: Committed funds must have a written letter committing funds submitted to DNRC with the application.

**Estimated Total Project Cost \$** \_\_\_\_\_



**APPLICANT: ELECTED OFFICIAL/AUTHORIZED REPRESENTATIVE:**

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Street/PO Box)

\_\_\_\_\_  
(City/State/Zip)

\_\_\_\_\_  
(Telephone)

\_\_\_\_\_  
(E-Mail address)

**PROJECT ENGINEER/ARCHITECT/CONSULTANT:**

\_\_\_\_\_  
(Name of Engineer)

\_\_\_\_\_  
(Name of Firm)

\_\_\_\_\_  
(Street/PO Box)

\_\_\_\_\_  
(City/State/Zip)

\_\_\_\_\_  
(Telephone)

\_\_\_\_\_  
(E-Mail address)

**LEGAL COUNSEL:**

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Name of Firm)

\_\_\_\_\_  
(Street/PO Box)

\_\_\_\_\_  
(City/State/Zip)

\_\_\_\_\_  
(Telephone)

\_\_\_\_\_  
(E-Mail address)

**CLERK/CHIEF FINANCIAL OFFICER:**

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Name of Firm)

\_\_\_\_\_  
(Street/PO Box)

\_\_\_\_\_  
(City/State/Zip)

\_\_\_\_\_  
(Telephone)

**PRIMARY CONTACT/LEAD PROJECT MANAGER:**

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Street/PO Box)

\_\_\_\_\_  
(City/State/Zip)

\_\_\_\_\_  
(Telephone)

\_\_\_\_\_  
(E-Mail address)

**GRANT/LOAN ADMINISTRATOR:**

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Street/PO Box)

\_\_\_\_\_  
(City/State/Zip)

\_\_\_\_\_  
(Telephone)

\_\_\_\_\_  
(E-Mail address)

**BOND COUNSEL:**

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Street/PO Box)

\_\_\_\_\_  
(City/State/Zip)

\_\_\_\_\_  
(Telephone)

\_\_\_\_\_  
(E-Mail address)

**ACCOUNTANT:**

\_\_\_\_\_  
(Name of Accountant)

\_\_\_\_\_  
(Name of Firm)

\_\_\_\_\_  
(Street/PO Box)

\_\_\_\_\_  
(City/State/Zip)

# Authorizing Statement

## A. Grant Authorization

I certify that the information and the statements in this application are true, complete, and accurate to the best of my knowledge. I certify that the project or activity as described in this application complies with all applicable state, local and federal laws and regulations. By my signature below, I certify that I have knowledge of and understand the content of this application and that I am fully authorized to apply to the Department of Natural Resources and Conservation (DNRC) for the grant specified in the submitted materials.

I further declare that, for \_\_\_\_\_ (Entity Name), I am legally authorized to enter into a binding contract with the DNRC to obtain funding if this application, \_\_\_\_\_ (Title), is approved. I understand that all funds must be both authorized by the Montana Legislature and available in the natural resources project account before grants are available.

A facsimile, photocopy or electronic copy of the signature below shall have the same force and effect as an original signature and an electronic signature shall be regarded as an original signature. 30-18-102, MCA.

/s/ \_\_\_\_\_  
Signature and Title of Authorized Representative      Date

\_\_\_\_\_  
Printed Name and Title of Representative      Entity Name

## B. Loan Authorization

I certify that the information and the statements in this application are true, complete, and accurate to the best of my knowledge. I certify that the project or activity as described in this application complies with all applicable state, local and federal laws and regulations. By my signature below, I certify that I have knowledge of and understand the content of this application and that I am fully authorized to apply to DNRC for the loan specified in the submitted materials.

I understand that all funds must be authorized by the Montana Legislature, that loan funds will become available after the sale of state bonds, and that I will be expected to enter into a loan agreement when funding is available and according to my construction schedule.

I further declare that, for \_\_\_\_\_ (Entity Name), I am legally authorized to enter into a binding contract with the DNRC to obtain loan financing if this application is approved.

A facsimile, photocopy or electronic copy of the signature below shall have the same force and effect as an original signature and an electronic signature shall be regarded as an original signature. 30-18-102, MCA.

/s/ \_\_\_\_\_  
Signature and Title of Authorized Representative      Date

\_\_\_\_\_  
Printed Name and Title of Representative

## Part 2: Proposal Abstract

Prepare a brief project description that highlights the project's benefits supporting the RRGL Program purpose. The abstract, along with the project photograph, will be used for legislative approval and purposes.

### Renewable Resource Grant and Loan Program Purpose

Invest in projects that will enhance or develop Montana's renewable resources and that will preserve for the citizens of Montana the economic and other benefits of the state's natural heritage.

The abstract should include the project background, primary purpose, and a summary description of the project. **Keep the abstract concise and less than 350 words.** The abstract will be incorporated into the RRGL Program's report to the Montana Legislature and provide accurate information that best describes the project's renewable resource benefits and other merits. Legislative assessment of the benefits of each project will be based primarily on ranking recommendations and this abstract.

**Example:** Alberton is in Mineral County along the Clark Fork River, roughly 30 miles west of Missoula. The population served by the water system is approximately 423 people. The water system utilizes a gravity spring and municipal well that both feed a 300,000-gallon metal storage tank.

Some primary deficiencies have been listed in the Alberton Water System Technical Report submitted for Renewable Resource Grant and Loan funding. During the winter months, the spring source alone supplies enough water to the tank, but during summer months, when irrigation occurs, the use of the well source is required to keep the tank full. The spring is disinfected with chlorine gas, which is a dangerous method of chlorination, and the chlorination building does not meet Montana Department of Environmental Quality's (DEQ) Circular DEQ-1 standards for safety. When the tank is full, the chlorinated spring water still flows into the tank and continuously overflows the tank and is discharged to surface and groundwater. The well source is not disinfected which makes chlorine residuals in the distribution system variable and unreliable during the summer months when both sources are being utilized. The well system also lacks source control, and therefore when the tank is getting low, the operator is required to hand start the well pump to fill the tank. Additionally, flow meters do not exist at either source and system losses cannot be accurately determined, resulting in needed repairs likely going unnoticed.

Other primary deficiencies that will be addressed in future phases of improvements include undersized and dead-end watermain, inadequate storage capacity for fire demands, and lack of security at the spring and tank site.



## Part 3: Resource and Citizen Benefits

Describe how and to what extent your project would benefit a renewable resource. Projects with the greatest benefits to renewable resources tend to rank the highest. Provide a narrative addressing the following questions.

### Resource and Citizen Benefits Narrative

#### 1. What is the primary purpose of your project?

Describe the primary project purpose even if it may not benefit renewable resources. The RRGL Program is in place not to only encourage projects designed exclusively to benefit or develop renewable resources. It also encourages communities to include resource benefit activities in their larger projects.

#### 2. What is the project's renewable resource benefit?

##### A. Identify the renewable resource(s) that will benefit from or be used by your project.

- Eligible renewable resources are surface water, groundwater, arable land, wetlands, riparian areas, fish, habitat, rangeland, renewable energy sources, and forests.
- Use the specific name and location of the resource(s).
- Is the resource important or highlighted (e.g. a blue-ribbon trout stream or an aquifer that is a drinking water source)?

##### B. Describe how the renewable resource will benefit or be used by your project.

- Describe the problem with the renewable resource that your project will address.
- In what way will your project conserve, manage, develop, or preserve the renewable resource? Under what time frame and for how long?
- Will the benefits or increase in sustainable use be measurable? If so, provide an estimate and a description of how you quantified the benefit.
- If your project is part of a natural resource plan, describe the plan and include a letter of support.

#### 3. What is your project's citizen benefits?

##### Identify the citizen benefits that will result from your project.

- Describe the problem with the resource that your project will address.
- What is the economic benefit of the project? Will it be measurable? If so, provide an estimate. (e.g. Number of jobs created over a given period). Is the economic benefit local or region-wide?
- Does the project improve resource-based recreation? Is there a local or region-wide benefit?
- Describe how the project will improve health and safety. Is the benefit region-wide, community-wide, or does it primarily benefit a specific business such as an irrigation district?

4. What is the project's renewable resource benefit?
  - Describe the extent of the resource benefits? Acres, miles, etc...

**Example:** Preserve 2.5 miles of streambank habitat OR conserve 23,000 kW of energy.

### **Tips for Improving the Resource and Citizen's Benefits Score**

How the project is predicted to benefit renewable resources and Montana citizens comprises 75% of scoring criteria.

- Quantify predicted benefits.
- Attach letters of support.
- Document public or stakeholder outreach.
- Projects with multiple benefits or that improve or develop multiple resources score higher.
- Projects without predictable impacts to renewable resources (e.g. research or education) may improve their score by describing how a similar project benefited renewable resources elsewhere.
- If your project is part of a resource management plan, cite the location in the plan that recommends the project and include a support letter from the organization that implements the plan.





## Part 4: Technical Presentation

Describe the project that will take place during the grant term as distinguished from phases completed before or after the grant term. Discuss past phases or current phase only as part of the project history.

**Example:** An irrigation district is taking steps to improve irrigation infrastructure and is seeking funding to line irrigation canals. Currently, the district is installing new headgates on its main canal; in the future, the district plans to install measuring devices. In this scenario, the project proposal concerns only the canal-lining project. The applicant should discuss the merits of only the lining phase of the project. The future phase of installing measuring devices can be discussed as part of a long-term plan to increase water conservation in the system.

### Technical Narrative

The Technical Narrative presents topics DNRC considers in evaluating the technical feasibility of the project. Projects not technically feasible will be ineligible for funding consideration. The description must provide enough detail to verify that the project is technically feasible and will achieve the project objectives. This information will be used as the scope of work for a grant agreement. This outline is not all-inclusive; you may address other topics.

All basic information requested in the Technical Narrative and the Environmental Evaluation should be provided in the main application text, not in the appendices. Appendices should provide supporting information and not serve as the primary source of information.

**If critical information is buried in the appendices, it is not guaranteed to receive due consideration in the grant evaluation.**

#### 1. Project identification.

- Identify the physical location of the project including longitude and latitude coordinates. Provide a map that displays the relationship of the proposed project to the larger scale watershed, region, or resource that stands to benefit (include scale and a north arrow).
- Identify the project type (research, planning, design, construction, or others).
- Specifically describe the problem this project will address.

#### 2. Discuss the project history, and describe all related work previously conducted.

- Discuss the circumstances that precipitated the need for the project.
- Discuss ongoing or past efforts made to address the problem or achieve the proposed purpose.
- Identify related facilities, programs, or other resources that support the project.

#### 3. Describe the project purpose.

- Describe what part of your project meets the RRGL Program purpose. The project may have more than one purpose and the application should address and analyze each.
- Describe specific project implementation tasks.

#### 4. Describe the renewable resource current condition.

- Describe what data currently exists and how it relates to understanding the current condition of renewable resources to be addressed by the project. Provide documentation where appropriate.

- Describe underlying causes of the current condition.
- What are the identified and potential causes of the problem? Of these, what are limiting factors—those factors most responsible for the current condition?
- Which of these factors have been quantified and to what degree?
- Describe any uncertainty about the importance of these factors.

**5. Describe the desired outcome.**

Describe in detail what changes are desired in the current condition and what the condition will be when the project has achieved its objectives (use qualitative as well as quantitative descriptions where possible).

- Which factors contributing to the current condition will and will not be addressed by the proposed project and to what degree?
- How will these affect desired results?

**6. Describe the alternatives that will accomplish the same or substantially similar goals as that of the proposed project.**

Discuss alternatives that could accomplish the project's goals. At a minimum, two alternatives must be discussed in addition to the no action alternative. Projects without adequate alternative analysis will be required to provide additional alternative evaluations to be considered for funding.

**7. Compare the costs and benefits of each alternative and the reasons for selection of the preferred alternative.**

Descriptions of each alternative do not have to be as detailed as the description of the preferred alternative. Enough information must be provided to demonstrate that the alternatives were investigated and that the proposed alternative provides either greater resource benefits at the same costs or similar resource benefits at a lower cost. If costs and benefits of the project cannot be quantified, provide a narrative discussion of the cost and benefits.

**8. Provide a specific description of the project implementation plan.**

- Describe the overall approach to project implementation.
- Identify each of the project phases, and the specific tasks comprising each phase, and then relate them to the project's purpose.
- Identify project staff for the project tasks and quantify staffing time necessary to complete the project.
- Identify contracted services necessary to complete the project.
- Identify all permits, regulatory approvals, or easements necessary to complete the project.
- Indicate whether the project is a phase of a larger project for which additional funding is needed and, if so, the targeted funding sources.
- Describe the measures that will be undertaken to ensure long-term effectiveness.
- Describe how the project sponsor will meet the DNRC reporting requirements.

**8. Provide a project schedule.**

- Provide specific dates the work under the proposed project will be started and completed.
- The project schedule should only include items in the tasks for the project and are funded through this grant application.

**10. Provide supporting technical documentation.**

- Provide information on the natural features of the project area, e.g. soils, vegetation, and hydrology.
- Include any draft and/or completed technical reports and studies related to the project.
- Provide a topographic map or aerial photo that shows the project location by sections, townships, and ranges. (Show titles on all maps and include both a scale and a north arrow.)
- Identify all applicable statutes, rules, regulations, and standards to be met.

## Part 5: Project Management

Describe the project management plan. Applications which do not address the project management components listed below may be ineligible for funding consideration.

### Project Management Narrative

Briefly discuss how you will implement this project from funding through project completion in **500 words or less**. Use the outline below to organize your presentation. This outline is not all-inclusive; you may address other topics.

1. Identify staff requirements needed for successful project management. Discuss how you plan to meet those requirements. If possible, identify the individual members of your project management team, including any already properly procured consultants who will provide project management services.
2. Summarize the procurement procedures and requirements related to your project.
3. Discuss coordination activities with other local, state, or federal agencies needed to implement the project and if the plan is part of another on-going or planned action.
4. Discuss your public involvement plans during the planning and implementation of your project through completion and closeout.
5. Describe how you will manage consultants responsible for completing major project tasks. Discuss how you will remain current on the status of consultant and contractor activities as project tasks are completed.
6. All projects must follow applicable state, federal and local laws.

If you are developing a new water appropriation that is water storage, water conservation, water salvage or water reuse project, or changing an existing water right with the project, contact your local DNRC Regional Office and have your project reviewed.

- Attach a letter to this application that indicates if a permit, change authorization or no action is required.
- If the DNRC determines the proposed project to be developing state water through the application evaluation it may affect your ability to receive funding through the RRGL program.

Activities that occur in designated Sage Grouse habitat are subject to Executive Order 12-2015. Consult with the Sage Grouse Habitat Conservation Program prior to submitting a grant or loan application.

- See the program webpage for more information: <https://sagegrouse.mt.gov>

## Part 6: Financial Presentation

Describe the proposed project financial management plan. Applications must address the financial narrative section, financial documentation section, and the budget forms below to be eligible for funding consideration.

### Project Costs vs. Program Costs

DNRC reimburses **project specific costs** only. Reimbursable costs are costs that will be incurred only by implementing the project as described in the grant agreement.

Ineligible or non-reimbursable program costs are costs are those not directly related to the project. This may include but is not limited to advertising, routine project monitoring or maintenance, repair and maintenance of vehicles, equipment (unless approved by the Department), office rent, repayment of debt, professional licenses or memberships, utilities, maintenance, legal fees not associated with the project, salary and benefits unless the work-hours are directly related to the project and accounted for, or any other costs that pay for ongoing or general services of the applicants.

The RRGL Program **cannot reimburse for any indirect costs** OR any portion of a salary of a state employee, including University System employees.

The Administrative Rules of Montana, ARM [36.17.607](#), defines program costs and project costs as follows:

- (11) "Program costs" means non reimbursable costs not directly related to the project. Program costs include, but are not limited to:
  - (a) office rent that will be incurred whether or not the project is implemented;
  - (b) salaries of existing fully funded staff positions unless the work-hours associated with the project are accounted for; or
  - (c) any other costs that pay for ongoing or general services of the applicant.
- (12) "Project costs" means costs that will be incurred only by implementing the project described in the application, and whose funding source is:
  - (a) RRGL program funds;
  - (b) matching dollars; or
  - (c) in-kind contributions.

The following tasks are ineligible for reimbursement:

- Activities outside of the scope of work, including advertising, salaries and benefits, travel, conferences, professional licenses or memberships, and other expenses not directly related to the project.
- Routine costs incurred by the applicant for maintenance and operation, including advertising, office rent and utilities, salaries and benefits, routine project monitoring or maintenance and routine repair and maintenance of vehicles and equipment, as well as tasks that are programmatic in nature (see project costs vs. program cost explanation above).
- Repayment of debt.
- Legal fees not associated with the project or approved by DNRC.

- Indirect costs (for example, facilities and administration or overhead). Indirect costs may be listed as matching funds.

## Financial Narrative

The financial narrative must clearly demonstrate the funding will be available to complete the project within the proposed budget.

- The application budget forms **may not** be used in lieu of the narrative.
- Projects must be financially feasible to be eligible.
- Failure to submit adequate financial information will jeopardize your chance of receiving project funding. This outline is not all-inclusive; you may address other funding categories as applicable.

The financial narrative must describe the use of funds committed to the project from DNRC and from matching funding sources. Do not include the costs for phases of construction completed before or after the term of a DNRC funding agreement.

Provide a narrative addressing the following questions.

## Grant Information

### 1. Total Budget

The narrative must explain the basis of the figures provided in the budget tables and how they match the Scope of Work. Show how the amounts in each budget line items were calculated.

**Example:** If the project budget lists \$12,600 in material costs, provide the breakdown for all material costs (120 tons of gravel @ \$30 per ton = \$3,600 and 50,000 square feet of geo-textile material @ \$0.18 per square foot = \$9,000. Total material cost = \$12,600).

Tip: Definitions are available [here](#) for budget expenditure categories

The administrative/financial costs cover the costs of implementing a local project, including the cost of local government personnel involved with managing the project; the cost of the local project audit; and other contractual costs for professional services (e.g. hiring a project manager) that may be associated with administration of the program. It is recommended that applicants budget adequate resources for the final project audit.

Administrative/financial costs must be appropriate to ensure cost-effective management of the project being undertaken. Any proposed administrative/financial costs must be eligible, fully supported, and explained.

Applicants, which propose to contract for project management assistance with a consultant or other entity, must specifically itemize this amount in the administrative budget and explain it.

### 2. Construction Costs

These costs include all the costs associated with construction: construction contract

costs, material purchases, land purchases directly related to the project, and a reasonable contingency. You may include an inflation factor, accounting for time lapse between project approval and receipt of funding. Identify this cost on the budget forms.

- a. Provide enough information to clearly show how the construction cost estimates were developed.
- b. Describe unit costs where applicable.
- c. Provide the preliminary cost estimates used to evaluate the alternatives to the proposed project.
- d. Provide the funding associated with construction contingency for all projects.

**3. Identify the operation and maintenance costs necessary to support the project in the future. Identify the source of funds you will use to cover these expenses.**

Discuss how you plan to fund the ongoing operation and maintenance of facilities and infrastructure constructed with grant or loan funding.

**4. Describe the funding structure that ensures the project is financially feasible.**

Demonstrate that adequate funding sources available to complete the proposed project.

- a. Indicate any costs which remain undefined at the time of application.
- b. If the funding structure for your project contains uncommitted grant funds, please provide an explanation of how the project could proceed if the uncommitted grants were not realized, such as phasing the project.



## Loan Information

1. Will tax revenues be pledged for repayment? If yes, will this be a special tax levy (e.g. special improvement district) or will it be a pledge of the general taxing authority of the local government?
2. Will rates and charges be pledged for repayment (example: a revenue bond)? If yes, please describe the rates and charges of the system. Include in this discussion information about number of users and the method of calculating the rates (e.g. is it based on quantity of water or on a per hook-up basis). Also, using the last fiscal year's information, what were the total revenues of the system and what was the cost of the operation and maintenance of the system?
3. Is there any outstanding debt that relies on the same revenues that will be the basis of the DNRC loan? If yes, what is the amount of the debt, what is the remaining term of the debt, and, if possible, please provide a copy of the bond resolution associated with the outstanding debt.
4. Use a rate of five percent (5%) over a 20-year term to calculate annual debt service payments associated with a Renewable Resource loan. Using this information along with current rate or tax information for the system, discuss the overall financial status of the local government. To be eligible for a below-market rate of interest, the applicant must demonstrate a high financial need.

## Financial Documentation

Submit supporting documentation to provide evidence of the financial feasibility of the proposed project.

1. **Include copies of estimates used to generate the project budget.**
2. **If you applied to other funding agencies for grant and/or loan funds for the same project, or if you intend to apply for additional funding in the future, provide the following:**
  - a. Indicate the expected date a funding decision will be made if you requested a grant or a loan; and
  - b. If funding has been secured, provide a copy of the notice of award.
3. **If other agencies, associations, or individuals will provide in-kind or match funding, provide the following information:**
  - a. If funding has not been secured, provide copies of correspondence with the date assistance was requested, the type of assistance (whether matching dollars or in-kind contribution) and the amount requested, the date a funding decision is expected;
  - b. If funding has been secured, provide copies of correspondence documenting funding commitments and type of funds committed (matching dollars or in-kind contribution);

- c. If the RRGL Grant is providing partial funding, describe how the RRGL Grant fits into the overall funding plan;
- d. Identify matching funds or in-kind contributions that support the project budget;
- e. Identify other sources and amounts of matching dollars; and
- f. Identify other sources and amounts of in-kind contributions. Eligible in-kind contributions are those project-specific contributions associated directly with project implementation.

If the proposed project budget includes in-kind labor, always reference the source for your labor value estimate whether it is this guidance or the U.S. Bureau of Labor Statistics at the following website specific to labor values for Montana: [https://www.bls.gov/oes/current/oes\\_mt.htm](https://www.bls.gov/oes/current/oes_mt.htm)

**Example:** A floodplain project where cost of the entire project is \$4 million. The project has four different funding entities; describe specifically what the RRGL funds will fund.

## Budget Forms

Complete the budget forms to detail the total estimated project cost. Show costs that you will document during project implementation. Include only costs directly related to the project.

Use one column for each sponsor and for each type of funding (grant or loan). Add more columns as needed Place the name of contributors from other sources in the "other" columns. If all sources of funds are not secured, label one column "Unknown." The sum of the totals of each column must add up to the total estimated project cost.

The following budget forms are categorized by project tasks e.g. grant administration, project design and construction. Additional forms may be used for other budget categories.

## Budget Forms for Renewable Resource Projects

### Project Administration Tasks

Date \_\_\_\_\_

Category	DNRC Grant	DNRC Loan	Project Sponsor	Other <u>(Specify)</u>	Other <u>(Specify)</u>	Other <u>(Specify)</u>	Total
Grant/Loan Administration (Applicant)							
Grant/Loan Administration (Contracted Services)							
Payroll and/or Accounting Expenses							
Audit							
DNRC Reporting							
Other, please itemize							
<b>Subtotal</b>							
Project specific communication expenses (describe)							
Administrative supplies (describe)							
Other, please itemize							
<b>Total Administration</b>							



## Budget Forms for Renewable Resource Projects

### Professional and Technical Tasks (project design, engineering oversight, etc...)

Date \_\_\_\_\_

Category	DNRC Grant	DNRC Loan	Project Sponsor	Other <i>(Specify)</i>	Other <i>(Specify)</i>	Other <i>(Specify)</i>	Total
Professional/technical service							
Professional _____							
Other contracted services							
<b>Subtotal Technical Services</b>							
Other costs, please itemize							
<b>Total Professional &amp; Technical</b>							



## Budget Forms for Renewable Resource Projects

### Construction Tasks

Date \_\_\_\_\_

Category	DNRC Grant	DNRC Loan	Project Sponsor	Other <i>(Specify)</i>	Other <i>(Specify)</i>	Other <i>(Specify)</i>	Total
Labor							
Materials							
Construction							
Other, please itemize							
<b>Subtotal Construction</b>							
Other, please itemize							
Contingency							
<b>Total Construction</b>							

## Budget Forms for Renewable Resource Projects

### Additional/Other Tasks

Date \_\_\_\_\_

Category	DNRC Grant	DNRC Loan	Project Sponsor	Other <i>(Specify)</i>	Other <i>(Specify)</i>	Other <i>(Specify)</i>	Total
<b>Subtotal</b>							
<b>Total</b>							

### Total Tasks Costs

<b>Total Administration</b>							
<b>Total Professional &amp; Technical</b>							
<b>Total Construction</b>							
<b>Additional/Other</b>							
<b>Additional/Other</b>							
<b>Total Project Cost</b>							





## Applicant Affordability Data

Complete the following section only if your entity generates revenue through user fees or assessments.

### For Sewer or Water Projects:

	Current	Projected
Number of residential users served by system	_____	_____
Average monthly residential water rate	_____	_____
Average monthly residential sewer rate	_____	_____
Type of billing system used (flat fee or metered)	_____	_____

### For Irrigation Projects:

	Current	Projected
Number of irrigated acres served by system	_____	_____
Annual assessment per acre	_____	_____
or		
Number of acre-feet of water sold annually	_____	_____
Cost of water per acre-foot	_____	_____

## Part 7: Environmental Evaluation

All applicants must consider the potential environmental impacts of their projects. Consideration of these impacts on the location, design, or construction actions may help avoid expensive mitigation or construction costs. A project will not be eligible for funding if it results in significant adverse impact after mitigation.

Please complete the Environmental Checklist below as the information provided will be subject to a MEPA assessment by DNRC. If an Environmental Assessment has already been completed for the proposed project, please attach it to the application in place of this evaluation.

[Environmental Checklist](#)

For additional instructions on how to fill out the environmental checklist, please see our [Resources and Training](#) page.

